

(b) No bonds, debentures, notes or other indebtedness of WAXS having the right to vote on any matters on which holders of capital stock of WAXS may vote are issued or outstanding.

(c) Except as otherwise set forth in this Section 4.5, the WAXS SEC Reports (as defined below) or Schedule 4.5 and as contemplated by Section 1.5 and Section 1.6, there are no securities, options, warrants, calls, rights, commitments, agreements, arrangements or undertakings of any kind to which WAXS or any of its Subsidiaries is a party or by which any of them is bound obligating WAXS or any of its Subsidiaries to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or other voting securities of WAXS or any of its Subsidiaries or obligating WAXS or any of its Subsidiaries to issue, grant, extend or enter into any such security, option, warrant, call right, commitment, agreement, arrangement or undertaking. Except as set forth on Schedule 4.5 or the WAXS SEC Reports, there are no outstanding obligations of WAXS or any of its Subsidiaries to repurchase, redeem or otherwise acquire any shares of capital stock of WAXS or any of its Subsidiaries.

4.6 Reports and Financial Statements.

(a) WAXS has filed all required registration statements, prospectuses, reports, schedules, forms, statements and other documents required to be filed by it under the federal securities laws with the SEC since January 1, 1998 (collectively, including all exhibits thereto, the "WAXS SEC Reports"). No Subsidiary of WAXS is required to file any form, report, registration statement, prospectus or other document with the SEC not otherwise filed with a WAXS SEC Report. None of the WAXS SEC Reports, as of their respective dates (or, if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing), contained or will contain any untrue statement of a material fact or omitted or will omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The WAXS SEC Reports, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances existing as of the time of filing of such reports, not misleading. Each of the financial statements (including the related notes) included in the WAXS SEC Reports (or, if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing) presents fairly, in all material respects, the consolidated financial position and consolidated results of operations and cash flows of WAXS and its Subsidiaries as of the respective dates or for the respective periods set forth therein all in conformity with GAAP consistently applied during the periods involved except as otherwise noted therein, and subject, in the case of the unaudited interim financial statements, to normal and recurring year-end adjustments that have not been and will not be material in amount. All of such WAXS SEC Reports, as of their respective dates (or as of the date of any amendment to the respective WAXS SEC Report filed prior to the date of this Agreement), complied as to form in all material respects with the applicable requirements of the Securities Act of 1933, as amended (the "Securities Act"), and the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder.

(b) Except as disclosed on Schedule 4.6 or in the WAXS SEC Reports, since December 31, 1999, WAXS and its Subsidiaries have not incurred any liabilities that are of a nature that would be required to be disclosed on a balance sheet of WAXS and its Subsidiaries or the footnotes thereto prepared in conformity with GAAP, other than (A) liabilities incurred in the ordinary course of business or (B) liabilities that would not have a Material Adverse Effect on WAXS.

4.7 Brokers and Advisers. Except for Donaldson, Lufkin & Jenrette Securities Corporation, no broker, agent or finder has rendered financial services to WAXS in connection with the transactions contemplated by this Agreement.

4.8 Information Supplied. None of the information supplied or to be supplied by WAXS for inclusion or incorporation by reference in the Proxy Statement/Prospectus (as defined herein) will, on the date it is first mailed to WAXS's stockholders, or at the time of the WAXS Stockholders Meeting contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Proxy Statement/Prospectus will, on the date it is first mailed to WAXS's stockholders and at the time of the WAXS Stockholders Meeting, comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations promulgated thereunder.

4.9 WAXS Board Approval. The Board of Directors of WAXS, by resolutions duly adopted by unanimous vote at a meeting duly called and held and not subsequently rescinded or modified in any way (the "WAXS Board Approval"), has duly (i) determined that this Agreement, the Merger and the other transactions contemplated hereby are fair to and in the best interests of WAXS and its stockholders, (ii) approved this Agreement, the Merger and the other transactions contemplated hereby and (iii) declared the advisability of this Agreement, the Merger and the other transactions contemplated hereby, and, further, (iv) recommended that the stockholders of WAXS approve and adopt this Agreement, the Merger and the other transactions contemplated hereby and directed that this Agreement and the transactions contemplated hereby be submitted for consideration by WAXS's stockholders at the WAXS Stockholders Meeting.

4.10 Required WAXS Stockholder Vote. Except as set forth on Schedule 4.10, the affirmative vote of holders of shares of WAXS Common Stock, Series A Preferred Stock and Series C Preferred Stock, voting together as a single class, representing a majority of the outstanding shares of WAXS Common Stock, Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock (the "Required WAXS Vote"), is the only vote of the holders of any class or series of WAXS capital stock necessary to adopt this Agreement and approve the Merger and the other transactions contemplated hereby.

4.11 Required Merger Sub Board Approval. The Board of Directors of Merger Sub, by resolutions duly adopted by a unanimous written consent and not subsequently rescinded or modified in any way, has duly (i) determined that this Agreement, the Merger and the other transactions contemplated hereby are fair to and in the best interests of Merger Sub and its sole stockholder, WAXS, (ii) approved this Agreement, the Merger and the other transactions

contemplated hereby and (iii) declared the advisability of this Agreement, the Merger and the other transactions contemplated hereby, and, further, (iv) recommended that WAXS adopt this Agreement and approve the Merger and the other transactions contemplated hereby.

4.12 Required Merger Sub Stockholder Vote. The affirmative vote of WAXS, as sole stockholder of Merger Sub, is the only vote of the holders of any class or series of Merger Sub capital stock necessary to adopt this Agreement and approve the Merger and the other transactions contemplated hereby. WAXS, in its capacity as sole stockholder of Merger Sub, has, by resolutions duly adopted by written consent (the "Merger Sub Stockholder Resolutions") adopted this Agreement and approved the Merger and the other transactions contemplated hereby.

4.13 Litigation; Compliance with Laws.

(a) Except as disclosed on Schedule 4.13 or in the WAXS SEC Report, there is no suit, investigation, action or proceeding pending or, to the knowledge of WAXS, threatened, against or affecting WAXS or any Subsidiary of WAXS having, or which would have a Material Adverse Effect on WAXS, nor is there any judgment, decree, injunction, rule or order of any Governmental Entity or arbitrator outstanding against WAXS or any Subsidiary of WAXS having, or which would have a Material Adverse Effect on WAXS.

(b) Except as would not have a Material Adverse Effect on WAXS, WAXS and its Subsidiaries hold all permits, licenses, variances, authorizations, exemptions, orders and approvals of all Governmental Entities which are necessary for the operation of the businesses of WAXS and its Subsidiaries (the "WAXS Permits"). WAXS and its Subsidiaries are in compliance with the terms of the WAXS Permits, except as disclosed in the WAXS SEC Reports or where the failure to be valid and in full force and effect or to so comply would not have a Material Adverse Effect on WAXS. The businesses of WAXS and its Subsidiaries are not being conducted in violation of, and WAXS has not received any notices of violations with respect to, any law, ordinance or regulation of any Governmental Entity, except as disclosed in the WAXS SEC Reports or for violations which would not have a Material Adverse Effect on WAXS.

4.14 Absence of Certain Changes or Events. Except as disclosed on Schedule 4.14 or in the WAXS SEC Reports and except for liabilities incurred in connection with this Agreement or the transactions contemplated hereby, since December 31, 1998 through and including the date hereof, (i) WAXS and its Subsidiaries have conducted, in all material respects, their business only in the ordinary course and (ii) there has not been any change, circumstance or event which has had, or would reasonably be expected to have, a Material Adverse Effect on WAXS, other than any change, circumstance or effect relating (A) to the economy or financial markets in general, or (B) in general to the industries in which WAXS and its Subsidiaries operate and not specifically relating to WAXS and its Subsidiaries.

4.15 Tax Matters. Except as set forth on Schedule 4.15:

(a) (i) All material Tax Returns required to be filed under applicable law by WAXS and each of its Subsidiaries have been filed, or requests for extensions have been timely filed and have not expired; (ii) all such Tax Returns filed by WAXS and its Subsidiaries are complete and accurate in all material respects; (iii) all Taxes shown to be due on such Tax Returns or on subsequent assessments with respect thereto have been paid or the WAXS SEC Reports reflect that adequate reserves have been established for the payment of such Taxes, and no other material Taxes are payable by WAXS or any of its Subsidiaries with respect to items or periods covered by such Tax Returns (whether or not shown on or reportable on such Tax Returns) or with respect to any period prior to the date of this Agreement; (iv) there are no material liens on any of the assets of WAXS or any of its Subsidiaries with respect to Taxes, other than liens for Taxes not yet due and payable or for Taxes that WAXS and its Subsidiaries is contesting in good faith through appropriate proceedings and for which the WAXS SEC Reports reflect that appropriate reserves have been established; and (v) there is no audit, examination, deficiency or refund litigation or matter in controversy with respect to any Taxes of WAXS and its Subsidiaries that might reasonably be expected to result in a Tax determination which would have a Material Adverse Effect on WAXS.

(b) There are no contracts, agreements, plans or arrangements, including but not limited to the provisions of this Agreement, covering any employee or former employee of WAXS or any of its Subsidiaries that, individually or collectively, could give rise to the payment of any amount (or portion thereof) that would not be deductible pursuant to Section 280G of the Code.

(c) Neither WAXS nor any of its Subsidiaries is a party to a Tax Sharing Agreement.

(d) (i) During the five (5) year period beginning as of the Effective Time, neither WAXS nor any person "related" to WAXS within the meaning of Treas. Reg. § 1.368-1(e)(3) will (A) be under any obligation and will have entered into any agreement to redeem or repurchase any of the WAXS Common Stock issued in the Merger or to make any "extraordinary distributions" within the meaning of Treas. Reg. § 1.368-1T(e)(1)(ii)(A) in respect of the WAXS Common Stock and (B) have a plan or intention to reacquire any of the WAXS Common Stock issued in the Merger either directly or through any transaction, agreement or arrangement with any other person, except (X) for escrowed shares of WAXS Common Stock, if any, which may be returned to WAXS pursuant to the Escrow Agreement and (Y) that WAXS may repurchase shares of WAXS Common Stock on the open market through a broker for the prevailing market price pursuant to an open-market repurchase program as described in Rev. Rul. 99-58, 1999-52 I.R.B. 701. To the knowledge of WAXS, any third party who may acquire WAXS Common Stock from Roger Abbott and Rosalind Abbott as former CTI stockholders after the Merger as contemplated by the Abbott Voting and Stock Transfer Restriction Agreement will not be a person related to WAXS within the meaning of Treas. Reg. § 1.368-1(e)(3) and to the knowledge of WAXS, there are no facts and circumstances indicating

that the cash to be used by any such third party to purchase the WAXS Common Stock from such former CTI stockholders receiving such WAXS Common Stock in the Merger will in substance be exchanged by WAXS or any of its Subsidiaries for CTI Capital Stock.

(ii) As of the Effective Time, neither WAXS nor any person related to WAXS within the meaning of Treas. Reg. § 1.368-1(e)(3) will own beneficially or of record, nor will have owned during the past five (5) years, any CTI Capital Stock or securities of CTI or options or instruments giving the holder thereof the right to acquire CTI Capital Stock or securities of CTI.

(iii) Prior to or in the Merger, neither WAXS nor any person related to WAXS within the meaning of Treas. Reg. § 1.368-1(e)(3) will have acquired directly or through any transaction, agreement or arrangement with any other person, any capital stock of CTI with consideration other than shares of WAXS Common Stock.

(iv) The fair market value of the WAXS Common Stock (inclusive of Contingent Shares, if any) and cash in lieu of fractional shares of WAXS Common Stock, if any, together with any cash paid or shares of WAXS Common Stock issued, as the case may be, in satisfaction of accrued unpaid dividends on CTI Preferred Stock, received by each holder of CTI Capital Stock in the Merger will be approximately equal to the fair market value of the shares of CTI Capital Stock surrendered in the Merger by each CTI stockholder.

(v) Following the Merger, WAXS will cause Merger Sub to continue CTI's "historic business" within the meaning of Treas. Reg. § 1.368-1(d) or use a significant portion of CTI's historic business assets in a business. For purposes of this representation, Merger Sub will be treated as conducting CTI's historic business or using a significant portion of CTI's historic business assets in a business if (a) the members of the WAXS "qualified group" (as defined below in this Section 4.15(d)(viii)), in the aggregate, continue the historic business of CTI or use a significant portion of CTI's historic business assets in a business, or (b) the foregoing activities are undertaken by a partnership in which (1) the members of the WAXS qualified group, in the aggregate, own at least a thirty-three and one third percent (33 1/3%) interest in the partnership, or (ii) one or more members of the qualified group has active and substantial management functions as a partner with respect to the partnership business and the members of the qualified group, in the aggregate, own at least a twenty percent (20%) interest in the partnership.

(vi) On and prior to the Effective Time, WAXS will be in "control" of Merger Sub within the meaning of Section 368(c) of the Code, which is a newly-formed corporation that was organized for the sole purpose of facilitating the Merger.

(vii) WAXS has no plan or intention, and WAXS has no plan or intention to cause the Merger Sub, to issue additional shares of its capital stock following the Merger, or take any other action, that would result in WAXS losing "control" of the Merger Sub within the meaning of Section 368(c) of the Code.

(viii) WAXS has no plan or intention following the Merger to liquidate the Merger Sub; to merge the Merger Sub with and into another corporation; to sell or otherwise dispose of the stock of the Merger Sub; or to cause the Merger Sub to sell or otherwise dispose of any of the assets acquired from CTI, except for dispositions made in the ordinary course of business or for transfers or successive transfers of all or part of the assets acquired from CTI to a member(s) of the WAXS qualified group or to a partnership that has a member(s) of the qualified group as a partner who own, in the aggregate, at least a thirty-three and one third percent (33 1/3%) interest in the partnership, or (ii) one or more members of the qualified group has active and substantial management functions as a partner with respect to the partnership business and the members of the qualified group, in the aggregate, own at least a twenty percent (20%) interest in the partnership. For purposes of this Section 4.15(d) and as set forth under Treas. Reg. § 1.368-1(d)(4)(ii), the term "qualified group" shall mean one or more chains of corporations connected through stock ownership with WAXS, but only if WAXS owns directly stock meeting the requirements of Section 368(c) of the Code in at least one other corporation, and stock meeting the requirements of Section 368(c) of the Code in each of the corporations (except WAXS) is owned directly by one of the other corporations.

(ix) WAXS and Merger Sub will pay their respective expenses, if any, incurred in connection with the Merger.

(x) There is no intercorporate indebtedness existing between WAXS and CTI or between the Merger Sub and CTI that was issued, acquired, or will be settled at a discount.

(xi) Neither WAXS nor Merger Sub is a regulated investment company, a real estate investment trust, or a corporation fifty percent (50%) or more of the value of whose total assets (excluding cash, cash items, receivables and U.S. government securities) are stock or securities and eighty percent (80%) or more of the value of whose total assets are assets held for investment. For purposes of the fifty percent (50%) and eighty percent (80%) determinations under the preceding sentence, stock and securities in any subsidiary corporation shall be disregarded and the parent corporation shall be deemed to own its ratable share of the subsidiary's assets. A corporation shall be considered a subsidiary for purposes of this paragraph if the parent owns fifty percent (50%) or more of the combined voting power of all classes of stock entitled to vote, or fifty percent (50%) or more of the total value of shares of all classes of stock outstanding.

(xii) No stock of the Merger Sub will be issued in the Merger.

(xiii) Neither WAXS nor the Merger Sub is under the jurisdiction of a court in a Title 11 or similar case within the meaning of Section 368(a)(3)(A) of the Code.

(xiv) In the Merger, to the knowledge of WAXS, the Merger Sub will acquire at least ninety percent (90%) of the fair market value of CTI's net assets, and at least seventy percent (70%) of the fair market value of CTI's gross assets held immediately prior to the Merger. For purposes of this representation, amounts paid by CTI to dissenters or to CTI

stockholders who receive cash or other property, CTI assets used by CTI to pay reorganization expenses, and CTI assets used for redemptions and distributions (excluding regular, normal dividends) made by CTI prior to the Effective Time will be included as assets of CTI held immediately prior to the Merger.

(xv) None of the compensation received by any stockholder-employee of CTI will be separate consideration for, or allocable to, any of the shares of CTI Capital Stock held by such stockholder-employee; none of the shares of WAXS Common Stock issued in the Merger and received by any stockholder-employee of CTI will be separate consideration for, or allocable to, any employment agreement, agreement not to compete or any other compensation owed or owing to such stockholder-employee; and the compensation paid to any stockholder-employee of CTI will be for services actually rendered and will be commensurate with amounts paid to third parties bargaining at arm's length for similar services.

(xvi) The payment of cash in lieu of fractional shares of WAXS Common Stock is solely for the purpose of avoiding the expense and inconvenience to WAXS of issuing fractional shares and does not represent separately bargained-for consideration. The total cash consideration that will be paid in the Merger to CTI stockholders instead of issuing fractional shares of WAXS Common Stock will not exceed one percent (1%) of the total Merger Consideration that will be issued in the Merger.

(xvii) Prior to the Effective Time, neither WAXS nor any Subsidiary of WAXS has distributed the stock of any corporation in a distribution of stock qualifying for Tax-free treatment under Section 355 of the Code.

(xviii) The principal purposes of WAXS for participating in the Merger are bona fide purposes unrelated to Taxes, and the terms of this Agreement are the product of arm's-length negotiations.

(xix) To the extent of the shares of WAXS Common Stock, including Contingent Shares, if any, that are placed in escrow under the Escrow Agreement for possible return to WAXS under the conditions specified in such Escrow Agreement and this Agreement: (1) there is a valid business reason for establishing the escrow arrangement; (2) the shares of WAXS Common Stock subject to the Escrow Agreement at the Effective Date, including the Contingent Shares, if any, which are issued pursuant to Section 1.7(d) hereunder and subsequently become subject to the Escrow Agreement, will each appear as issued and outstanding on the balance sheet of WAXS and such shares will be legally outstanding under applicable state law; (3) all dividends paid on such stock by WAXS will be distributed to the former CTI stockholders; (4) all voting rights of such stock held under the Escrow Agreement will be exercisable by the former CTI stockholders or on their behalf by the Shareholder Representative; (5) such stock will not be subject to restrictions requiring its return to WAXS because of the death, failure to continue employment or similar restrictions; (6) all such stock will be released from the Escrow Agreement within five (5) years after the Effective Time (except where there is a bona fide dispute as to whom such stock should be released); (7) the return of such stock to WAXS will not be triggered by an event the occurrence or nonoccurrence

of which is within the control of the CTI stockholders; (8) the return of such stock to WAXS will not be triggered by the payment of additional Tax or reduction in Taxes paid as a result of an IRS audit of the CTI stockholders, Merger Sub or WAXS either (x) with respect to the Merger or (y) when the Merger involves a related person within the meaning of Section 267(c)(4) of the Code; (9) the mechanism for the calculation of the number of shares of WAXS Common Stock to be returned to WAXS from the Escrow Fund is objective and readily ascertainable; and (10) at least fifty percent (50%) of the number of shares of WAXS Common Stock issued as of Effective Time to the CTI stockholders will not be subject to the Escrow Agreement or the Expense Fund.

(xx) As to the Contingent Shares, if any, which may be issued by WAXS pursuant to Section 1.7(d) hereunder: (1) all the Contingent Shares will be issued by WAXS pursuant to Section 1.7(d) of this Agreement within five (5) years from the Effective Time and as to any Contingent Shares which are placed in escrow under the Escrow Agreement, such Contingent Shares will be released from the Escrow Agreement within five (5) years after the Effective Time (except where there is a bona fide dispute as to whom such stock should be released); (2) there is a valid business reason for the provisions in Section 1.7(d) concerning the possible issuance of Contingent Shares; (3) the maximum number of Contingent Shares that may be issued is stated hereunder; (4) at least fifty percent (50%) of the maximum number of shares of WAXS Common Stock (inclusive of the Contingent Shares) will be issued as of the Effective Time pursuant to Section 1.7(c) hereunder; (5) the Section 1.7(d) provisions concerning the possible right to receive Contingent Shares after the Effective Time prohibit assignment of such rights except by operation of law; (6) the Section 1.7(d) provisions can give rise only to the receipt of additional WAXS Common Stock; (7) such stock issuance will not be triggered by an event the occurrence or nonoccurrence of which is within the control of the CTI stockholders; (8) such stock issuance will not be triggered by the payment of additional Tax or reduction in Taxes paid as a result of an IRS audit of the CTI shareholders or WAXS either (x) with respect to the Merger or (y) when the Merger involves related persons within the meaning of Section 267(c)(4) of the Code; and (9) the mechanism in Section 1.7(d) hereunder for the calculation of Contingent Shares to be issued is objective and readily ascertainable.

(xxi) To the knowledge of WAXS, there is a valid business reason for the escrow of shares of WAXS Common Stock comprising the Expense Fund pursuant to Section 2.14 of this Agreement, and to the knowledge of WAXS, the escrow provisions of Section 2.14 satisfy the specific requirements of Section 3.06 of IRS Revenue Procedure 77-37, as it has been amplified and superseded by the IRS.

ARTICLE V

COVENANTS RELATED TO CONDUCT OF BUSINESS

5.1 Covenants of CTI. During the period from the date of this Agreement and continuing until the Effective Time, CTI agrees as to itself and its Subsidiaries that:

(a) Ordinary Course. Except with respect to any of the matters described on

any of the Schedules to Sections 5(b), (c), (e), (f), (g), (h) or (j), CTI and its Subsidiaries shall carry on their respective businesses in the usual, regular and ordinary course, substantially in accordance with past practice, in all material respects.

(b) Dividends; Changes in Share Capital. Except as set forth on Schedule 5.1(b), CTI shall not, and shall not permit any of its Subsidiaries to, and shall not propose to, (i) declare or pay any dividends on or make other distributions in respect of any of its capital stock, except for dividends by wholly-owned Subsidiaries of CTI (ii) split, combine or reclassify any of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for, shares of its capital stock, except for any such action by a wholly-owned Subsidiary of CTI which remains a wholly owned Subsidiary after consummation of such transaction, or (iii) repurchase, redeem or otherwise acquire any shares of capital stock of CTI or any of its Subsidiaries or any securities convertible into or exercisable for any shares of such capital stock except for the purchase from time to time by CTI of CTI Common Stock in the ordinary course of business consistent with past practice in connection with the CTI Employee Benefit Plans.

(c) Issuance of Securities. Except as set forth on Schedule 5.1(c), CTI shall not, and shall not permit any of its Subsidiaries to, issue, deliver or sell, or authorize or propose the issuance, delivery or sale of, any shares of its capital stock of any class, or any securities convertible into or exercisable for, or any rights, warrants or options to acquire, any such shares, or enter into any agreement with respect to any of the foregoing, other than (i) the issuance of CTI Common Stock upon the exercise of CTI Stock Options or in connection with other stock-based benefits plans outstanding on the date hereof, in each case in accordance with their present terms or (ii) issuances by a wholly-owned Subsidiary of CTI of capital stock to such Subsidiary's parent or another wholly-owned subsidiary of CTI.

(d) Governing Documents. Neither CTI nor any of its Subsidiaries shall amend or propose to amend their respective certificates of incorporation, bylaws or other governing documents.

(e) Acquisitions. Except as set forth on Schedule 5.1(e), CTI shall not, and shall not permit any of its Subsidiaries to acquire or agree to acquire by merging or consolidating with, or by purchasing a substantial equity interest in or a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof or otherwise acquire or agree to acquire any assets (other than the acquisition of assets used in the operations of the business of CTI and its Subsidiaries in the ordinary course).

(f) Sales. Except as set forth on Schedule 5.1(f), CTI shall not, and shall not permit any of its Subsidiaries to, sell or agree to sell by merging or consolidating with, or by selling a substantial equity interest in or a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof or otherwise sell or agree to sell any assets (other than the sale of assets used in the operations of the business of CTI and its Subsidiaries in the ordinary course).

(g) Investments; Indebtedness. Except as set forth on Schedule 5.1(g), CTI shall not, and shall not permit any of its Subsidiaries to make any capital expenditures or capital investments or make any loans, advances or capital commitments to, or investments in, any other person, in excess of \$5,000,000 in the aggregate other than (x) by CTI or a Subsidiary of CTI to or in CTI or in any Subsidiary of CTI or (y) pursuant to any contract or other legal obligation of CTI or any of its Subsidiaries existing at the date hereof. Except as set forth on Schedule 5.1(g), CTI shall not, and shall not permit any of its Subsidiaries to, create, incur, assume or suffer to exist any indebtedness, issuances of debt guarantees, loans or advances not in existence as of the date hereof except pursuant to credit facilities, indentures and other arrangements in existence on the date hereof (as such credit facilities, indentures and other arrangements may be amended, extended, modified, refunded, renewed or refinanced after the date hereof) or in the ordinary course of business consistent with past practice.

(h) Compensation. Other than as contemplated by Schedule 5.1(h) or Schedule 5.1(c), CTI shall not (i) increase the amount of compensation of any director or executive officer except in the ordinary course of business consistent with past practice or as required by an existing agreement, (ii) make any increase in or commitment to increase any employee benefits, except in the ordinary course of business, consistent with past practice or as required by an agreement existing on the date hereof, (iii) issue any options, warrants or other rights to acquire any shares of CTI Capital Stock or adopt or make any commitment to adopt any agreement, arrangement, commitment or policy which, if in affect as of the date hereof, would constitute a CTI Employee Benefit Plan under Section 3.12(a) hereof or (iv) make any contribution, other than regularly scheduled contributions, to any CTI Employee Benefit Plan.

(i) Accounting Methods; Income Tax Matters. CTI shall not change its methods of accounting in effect on December 31, 1999, except as required by changes in GAAP as concurred in by CTI's independent auditors. CTI shall not (i) change its fiscal year, (ii) make any material tax election, (iii) adopt or change any Tax accounting method, (iv) enter into any closing agreement, settle or compromise a Tax liability with a Tax authority, (v) surrender any right to claim a refund of Taxes, or (vi) take (or permit any Subsidiary of CTI to take) any other action which would have the effect of materially increasing the Tax liability or materially decreasing any Tax asset of CTI or any of its Subsidiaries, other than in the ordinary course of business consistent with past practice.

(j) Certain Agreements. Except as set forth on Schedule 5.1(j) and except for extensions or renewals of agreements in existence on the date hereof, CTI shall not, and shall not permit any of its Subsidiaries to, without the prior consent of WAXS (which consent shall not be unreasonably withheld or delayed), enter into any agreement or arrangement which, if it had been entered into prior to the execution of this Agreement, would have been a Material Contract.

(k) Litigation. CTI shall not and shall not permit any of its Subsidiaries to settle or, compromise any litigation, except where the amount paid or payable, in each case, does not exceed \$1,000,000.

5.2 Control of CTI's Business. Nothing contained in this Agreement shall give WAXS, directly or indirectly, the right to control CTI's operations prior to the Effective Time. Prior to the Effective Time, CTI shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its operations.

ARTICLE VI

ADDITIONAL AGREEMENTS

6.1 Preparation of Proxy Statement: Stockholders Meetings.

(a) As promptly as reasonably practicable following the date hereof, WAXS shall prepare and file with the Securities and Exchange Commission (the "SEC") materials which shall constitute its proxy statement and prospectus in connection with the WAXS Stockholders Meeting (such proxy statement and prospectus, and any amendments or supplements thereto, the "Proxy Statement/Prospectus") and WAXS shall prepare and file a registration statement on Form S-4 with respect to the issuance of all WAXS Common Stock in the Merger, including, without limitation, the Contingent Shares and the shares of WAXS Common Stock issuable to the holders of CTI Preferred Stock as contemplated by Section 2.6(b) (the "Registration Statement"). The Proxy Statement/Prospectus will be included in and will constitute a part of the Registration Statement as WAXS's prospectus. The Registration Statement and the Proxy Statement/Prospectus shall comply as to form in all material respects with the applicable provisions of the Securities Act and the Exchange Act and the rules and regulations thereunder. WAXS shall use reasonable efforts to have the Registration Statement declared effective by the SEC as promptly as reasonably practicable after filing with the SEC and to keep the Registration Statement effective as long as is necessary to consummate the Merger and the actions contemplated thereby. CTI shall use its reasonable best efforts to cooperate with and assist WAXS in connection with the preparation and amendment of the Proxy Statement/Prospectus and the Registration Statement. WAXS will provide CTI with a reasonable opportunity to review and comment on any amendment or supplement to the Registration Statement prior to filing such with the SEC, and will provide CTI with a copy of all such filings made with the SEC. WAXS will use reasonable efforts to cause the Joint Proxy Statements/Prospectus to be mailed to WAXS's stockholders as promptly as practicable after the Registration Statement is declared effective under the Securities Act. WAXS shall also take any action (other than qualifying to do business in any jurisdiction in which it is not now so qualified or to file a general consent to service of process) required to be taken under any applicable state securities laws in connection with the issuance of WAXS Common Stock and CTI shall furnish all information concerning CTI and the holders of CTI Capital Stock as may be reasonably requested in connection with any such action. WAXS will advise CTI promptly after it receives notice thereof, of the time when the Registration Statement has become effective, the issuance of any stop order or the suspension of the qualification of the WAXS Common Stock issuable in connection with the Merger for offering or sale in any jurisdiction or any request by the SEC for amendment of the Registration Statement. If at any time prior to the Effective Time any information relating to WAXS or CTI, or any of their respective affiliates, officers or directors, should be discovered by WAXS or CTI

which should be set forth in an amendment or supplement to the Registration Statement or the Proxy Statement/Prospectus so that any of such documents would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the party which discovers such information shall promptly notify the other party hereto and, to the extent required by law, rules or regulations, an appropriate amendment or supplement describing such information shall be promptly filed with the SEC and disseminated to the stockholders of WAXS and CTI.

(b) CTI shall, as promptly as reasonably practicable following the execution of this Agreement, (i) duly take all lawful action to call, give notice of, convene and hold a meeting of its stockholders (which meeting the parties intend to be held no later than 30 days following the date on which the Registration Statement has been declared effective by the SEC) for the purpose of obtaining or (ii) duly take all lawful action to obtain by written consent pursuant to the CGCL, the required vote of its stockholders with respect to the actions contemplated by this Agreement and shall take all lawful action to solicit the adoption of this Agreement by the stockholders of CTI by written consent or otherwise. The Board of Directors of CTI shall recommend adoption of this Agreement by the stockholders of CTI and shall not withdraw, modify or materially qualify in any manner adverse to WAXS such recommendation or take any action or make any statement materially inconsistent with such recommendation (collectively, an "Adverse Change in the CTI Recommendation"); provided, however, that the foregoing shall not prohibit accurate disclosure of factual information regarding the business, financial condition or results of operations of WAXS or CTI or the fact that an Acquisition Proposal (as defined in Section 6.4) has been made, the identity of the party making such proposal or the material terms of such proposal (provided, that the Board of Directors of CTI does not withdraw, modify or materially qualify in any manner adverse to WAXS its recommendation) in the Registration Statement or the Proxy Statement/Prospectus, to the extent such information, facts, identity or terms is required to be disclosed therein under applicable law.

(c) WAXS shall, as promptly as reasonably practicable following the execution of this Agreement, duly take all lawful action to call, give notice of, convene and hold a meeting of its stockholders (the "WAXS Stockholders Meeting") (which meeting the parties intend to be held no later than 30 days following the date on which the Registration Statement has been declared effective by the SEC) for the purpose of obtaining the required vote of its stockholders with respect to the transactions contemplated by this Agreement and shall take all lawful action to solicit the approval of the transactions contemplated hereby by the stockholders of WAXS. The Board of Directors of WAXS shall recommend approval of the transactions contemplated hereby by the stockholders of WAXS and shall not withdraw, modify or materially qualify in any manner adverse to CTI such recommendation or take any action or make any statement in connection with the WAXS Stockholders Meeting materially inconsistent with such recommendation; provided, however, that the foregoing shall not prohibit accurate disclosure of factual information regarding the business, financial condition or operations of WAXS or CTI.

6.2 Access to Information. Upon reasonable notice, each of CTI and WAXS shall (and shall cause its Subsidiaries to) afford to the officers, employees, accountants, counsel,